

Nutrien would turn waste into revenue; Program starting on land in Canada, U.S. to offset carbon dioxide emissions

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Body

Nutrien Ltd. will test a new program in North America in a "rallying cry" for the agriculture industry to reduce waste by turning credits from offsetting carbon dioxide into revenue, said its top executive.

The world's biggest fertilizer firm is targeting 100,000 acres of farmland in Canada and the U.S. for the program in 2021 to help farmers sell environmental credits while improving yields through products and technology, chief executive officer Chuck Magro said Monday at a meeting with investors.

The plan could increase farmers' income by \$50 per acre, with an estimated \$20 coming from carbon credits and \$30 from higher productivity and yields. Nutrien, which produces carbon dioxide in its fertilizer production, aims to buy the resulting credits from farmers for its own environmental goals.

"We want to change carbon from becoming what it is today, an expense, to a revenue," Magro said later in a phone interview, adding he hopes this provides farmers with the incentive to adapt practices to be more sustainable amid a changing climate and growing global population.

The Saskatoon, Sask.-based company expects increases in its service business and sales of "climate friendly" products such as a time-controlled nitrogen fertilizer, Magro said in the interview.

Nutrien plans to expand the program to South America and Australia after 2021. Long term, Nutrien aims to create an open marketplace in which other companies will also purchase these credits.

"We expect demand for carbon credits will grow exponentially in the coming decade as the world increasingly focuses on climate action," Magro said at the meeting.

Nutrien will release environmental, social and corporate governance targets in the first half of 2021 that include "very ambitious environmental commitments" to put the company on the path to goals set out in the Paris climate accord, Magro told investors.

Magro also said the outlook for agriculture is the strongest he has seen in six years and he expects to have the best year for potash "ever" in 2021. Global demand for potash is expected to reach 73 million metric tons by 2023 and 77 million to 78 million tons by 2025, he said.

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